

CFO Discussion

Obligation by market share

Estimated year		2013	2014	2015	2016	2017
Daily H2 demand (1kg/car/day)		700	2,000	5,000	15,000	45,000
Projected Supply*		925	1,500	1,500	1,500	1,500
Supply deficit		-225	500	3,500	13,500	43,500
Oil Company	% share					
BP	22%	0	110	770	2,970	9,570
Chevron	21%	0	105	735	2,835	9,135
Tesoso	15%	0	75	525	2,025	6,525
Valero	14%	0	70	490	1,890	6,090
ConocoPhillips	13%	0	65	455	1,755	5,655
Equilon (Shell)	8%	0	40	280	1,080	3,480
ExxonMobil	7%	0	35	245	945	3,045

*2013 projection based on stations funded by ARB and to be funded via first round of AB118 funding

*2014 projection assumes that 20 stations will be in place by 2014 with average capacity of 75 kg/day

Scaled approach to compliance

Estimated year RP daily obligation (kg/day)	2014 40-100	2015 300-800	2016 1000-3000	2017 3000-10,000
Compliance Options				
Take over closing station	X	X, C	C	C
Increase capacity at existing station	X	X, C	X, C	X, C
Add temp H2 to gas station	X	X, C	C	C
Buy credits*	X	X, C	X, C	X, C
Install new outlet (100-250 kg/day)	X	X, C	X, C	C
Install new outlet (250-400 kg/day)		X	X, C	X, C
Install new outlet (>400 kg/day)		X	X, C	X, C

* RPs or others that provide/dispense fuel beyond their obligation can sell their excess in credits

X = Option OK to meet obligation

C = Continue compliance option from prior year

Credit and incentive ideas

- Pre-trigger: RPs that build outlet(s) and continue operation post-trigger
 - Lessen post-trigger compliance burden
 - Shift overall burden to other RPs
- Post-trigger: RPs that sell more than their obligation
 - Earn credits for excess fuel dispensed
 - Sell credits to other RPs within same compliance year

AB 118 funding and LCFS compliance

AB118 and other government funded outlets can earn LCFS credits for fuel dispensed...

So long as the government funding is not directly used to offset the purchase price of the fuel.